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The KSA PERSPECTIVE

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Apparel Profile for 1987

Moderate advances for 52 public firms in an easy year; tougher times ahead

The public apparel industry, represented by 52 companies in this year's Profile, consolidated its gains of last year and registered 15% improvements in both sales and profits for fiscal 1987.

Total sales for the entire Profile were $13.1 billion, compared with $11.4 billion in 1986. Aggregate net income was $533 million in fiscal 1987, as opposed to $463 million the year before. Both figures were 4.1% of sales. Before an extraordinary loss of $31.8 million, the Profile's composite return on sales was 20% ahead of 1986, and more than double that of 1985. However, return on equity for all 52 companies was 13.3%, slightly down from last year.

Given the general economic environment throughout most of 1987, this Profile should have produced more exciting numbers. Consumer spending was still free and easy through the first half of the year. Interest rates remained low and employment was high. Before October's stock market disaster, however, purchases of apparel tailed off as prices rose, fleece and basic jeans lost their steam, and few new fashions came along to replace them.

Apparel and associated fashion products companies also found the going tougher in the latter half of 1987 as rising import prices and other sourcing difficulties emerged. High fabric prices, a tighter domestic labor market, more demanding consumers, and the inroads of private label have all compounded the industry's problems. Fiscal 1988 will offer fewer opportunities for these firms to post good results.

The five-year compilation of industry profit and loss data on page 6 only hints at some of these difficulties. Nor does it reveal the extent of restructuring still taking place. Eleven of the 52 companies in this year's Profile did not provide financial data for the full five-year period. Further, some of them returned to the Profile carrying heavy debt burdens. Thus, comparisons with 1983 and 1984 are misleading.

Some Critical Issues.

Nevertheless, a close inspection of industry and individual company performances raises some critical issues. There is little evidence of any build-up in shareholder value, for example. The composite dividend payout was down 31% in fiscal 1987, and stock performance has been mediocre except in take-overs.

10 Largest Public Apparel Firms

Profile for Fiscal 1977 ($MM Sales)		Profile for Fiscal 1987 ($MM Sales)	
Levi Strauss	$1559	VF Corporation	$2574
Blue Bell	874	Sara Lee	1631
Cluett Peabody	589	Liz Claiborne	1053
Interco	576	Fruit of the Loom	870
VF Corporation	470	Interco	817
Kellwood	457	The Leslie Fay Cos.	582
Jonathan Logan	405	Kellwood	572
Warnaco	383	Oxford Industries	553
Gulf & Western	375	Phillips-Van Heusen	514
Northwest Industries	350	Hartmarx	492

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Apparel Sales and Earnings*

SALES RANK 1987	1986	Company	Sales ($000)	Net Income ($000)
1	1	VF Corp. 12/87-D	2,573,762	179,694
		03/88	2,588,190	183,858
2	2	Sara Lee 06/87-C[1,2,3]	1,630,622	178,582 †
3	4	Liz Claiborne 12/87-W	1,053,324	114,414
		03/88	1,105,828	116,068
4	5	Fruit of the Loom 12/87-M	870,300	-13,400
5	3	Interco 02/87-C[1]	817,660	47,269 §
		02/88	813,198	20,240 §
6	6	Leslie Fay Co. 12/87-W	582,023	19,748
7	9	Kellwood Company 04/87-D	571,861	25,251
		01/88	670,376	29,170
8	8	Oxford Industries 05/87-D	553,380	10,614
		02/88	586,533	1,979
9	7	Phillips-Van Heusen Corp. 01/87-M	514,387	20,101
10	10	Hartmarx 11/87-C[1]	492,400	71,400 §
11	13	Russell Corp. 12/87-D	479,880	46,334
		03/88	587,650	47,957
12	15	Palm Beach 12/87-D	404,510	6,310
13	14	Crystal Brands 12/87-D	359,814	15,993
14	17	Tultex Corp. 11/87-D	348,692	28,805
		02/88	336,863	25,524
15	11	Manhattan Industries 01/87-D	335,754	-7,419
		01/88	355,685	9,912
16	18	Bernard Chaus 06/87-W	333,881	13,267
17	16	Farah Manufacturing 10/87-M	327,349	-1,218
		01/88	321,331	1,280
18	19	Russ Togs 01/87-W	274,332	13,819
		01/88	270,520	9,290
19	20	Pannill Knitting Co. 12/87-D	259,922	16,779
		03/88	249,318	14,451
20	25	Gerber Products 03/87-C[1]	248,457	18,642 §
21	21	Oshkosh B'Gosh 12/87-W	226,298	23,899
22	+	Faberge 01/87-C[1]	219,999	13,645 §
23	22	The William Carter Co. 12/87-W	199,128	5,826
24	29	Munsingwear 12/87-D	198,427	-23,071
25	24	Adams-Millis Corp. 12/87-A	198,358	5,961
26	23	Bayly Corp. 10/87-M	192,112	-15,965
27	30	Champion Products 12/87-D	177,545	6,961
		03/88	183,349	7,733
28	27	Hampton Industries 12/87-M	164,054	3,934
		03/88	167,386	3,980
29	31	Swank 12/87-A	157,782	5,902
30	36	The Cherokee Group 11/87-W	139,631	10,397
		02/88	145,318	10,788
31	32	Salant 11/87-M	136,272	8,638
		02/88	141,935	8,985
32	26	Nike 05/87-C[1]	130,700	+
33	37	Oak Hill Sportswear 12/87-W	119,718	2,078
34	34	Stanwood Corp. 12/87-M	109,742	-4,153
35	35	Garan 09/87-W	108,835	2,186
		12/87	116,408	3,253
36	+	Beeba's Creations 08/87-W	107,601	4,106
		02/88	114,191	2,623
37	38	Superior Surgical Mfg. 12/87-D	103,755	4,920
38	39	Genesco 01/87-C[1]	102,077	1,371 †
		01/88	98,313	7,707 †
39	40	Signal Apparel Co. 12/87-M	90,358	28
40	42	Marcade Group 01/87-W	72,286	15,119
41	47	Andover Togs 11/87-W	63,692	775
		02/88	64,106	666
42	44	Sanmark-Stardust 06/87-W	60,550	1,766
		12/87	73,032	1,189
43	41	Movie Star 05/87-W	59,463	-2,613
44	55	Jaclyn 06/87-A	58,917	2,222
		12/87	70,943	3,224
45	48	Quality Mills 12/87-M	57,880	-526
46	52	Aileen 10/87-W	52,218	-6,379
47	49	Nantucket Industries 02/87-A	51,515	-1,695
		11/87	55,139	-2,197
48	53	Alba-Waldensian 12/87-A	48,385	990
49	51	Kleinert's 11/87-W	46,592	2,920
50	50	Winjak (Jack Winter) 12/87-W	41,575	-17,232
51	56	Rocky Mount Undergarment Co. 12/87-D	39,908	-1,366
52	62	The Shirt Shed (Nexus) 07/87-D	37,194	1,801
53	61	State-O-Maine 02/87-M	36,253	2,088
54	63	ProGroup 09/87-A	28,915	2,536
		03/88	31,196	2,478
55	60	Boss Mfg. Co. 03/87-A	26,559	-720
56	+	Medalist 12/87-C[1]	25,293	1,296 §
57	+	Private Brands 09/87-W	18,553	804
58	+	Fairfield-Noble Corp. 06/87-W	12,951	1,723
59	+	Nutmeg Industries 01/87-D	12,290	511
60	65	Raven Industries 01/87-C[1]	9,172	-99 §
		01/88	11,334	1,144 §
61	66	Howard B. Wolf 05/87-W	8,145	-149
		Sales Total	**16,783,009**	

+ Unavailable.

* Where available, quarterly data have been added to show trailing 12 months' performance. Operating earnings (§) or pretax income (†) are shown.

C — Multi-industry firms or conglomerate divisions. Apparel sales may be estimated and include the following components: (1) Apparel; (2) Hosiery; (3) Associated Fashion Products; (4) Footwear/Boots/Leather Products; (5) Furniture; (6) Other Unrelated Industries.

Although capital expenditures rose to 52% of depreciation (3.5% of sales, which is high for apparel), cost of goods sold went up a point to 71%. The bulk of spending was probably on computers and distribution. Some pick-up of investment in new manufacturing facilities, both in the U.S. and Caribbean, reflects the need to develop alternative sourcing. But innovative manufacturing approaches will also be needed to deal with a worsening labor market. With a national unemployment rate of only 5.3%, low-paying industries like apparel have to scramble for workers.

Also questionable is the quantity and quality of the industry's marketing efforts. SG&A expenditures dropped a point last year, yet the challenge to national brands by department and specialty store private label programs is growing.

The industry has gone through an intense shaking-out period, but only a few large members of it seem to have focused, long term strategies in place to take advantage of restructuring and achieve better financial results on a consistent basis.

Leading Performances.

One of these is *Liz Claiborne*, which again topped the profit performers with 10.86%, a shade off its peak 10.88% in 1985. Its return on assets was 23.7%, also #1. Although its 32% return on equity was second to *Pannill's* 42.7%, *Liz* showed its enduring class by moving up in five different rankings. *Oshkosh*, *Russell*, *Tultex*, *State-O-Maine*, and *VF* again graced the top performer list, although the industry's sales leader slipped a few notches in the rankings last year.

Claiborne and *Oshkosh* led the 20-firm women's and children's wear sector to the best composite figures for any group. They were helped by a turnaround at *Marcade* (out of the red for the first time in five years) and a strong rebound by *Wm. Carter*.

Return on total equity for Women's Wear was a leading 18.8%, but that was below the 20.4% recorded by the same firms in 1986. Combined sales for the group rose 13.5% to $3.6 billion, below the gains of previous years. The second half of 1987 was poor for all women's wear, and this sector of the Profile was undoubtedly helped by the fact that seven of its companies close their fiscal years before July.

The 10 companies in Men's Wear recovered slightly with a composite 1.9% return on sales, but that was pushed into the red by $54 million in extraordinary losses taken by *Fruit of the Loom*, *Farah*, and *Quality Mills*. *Salant's* one time gain only offset $4.5 million of this, but doubled the reviving company's return on sales to 6.3%. When its acquisition of *Manhattan* is digested, this Profile veteran should show continued improvement.

The Diversified group recorded the largest total sales — $6.4 billion — and the best year-to-year gain — 21.4% — in the Profile. Of its 15 companies, only three suffered losses in fiscal 1987. Yet the sector probably would not have achieved its respectable 4.8% composite net income if it did not contain the five largest fleecewear manufacturers in the industry . . . *Crystal Brands* rebounded sharply from its poor performances in 1985 and 1986. The company is smaller than it was when it took over the Izod divisions spun off by General Mills, but last year it added $20 million in pre-tax profits on a sales decline of $35 million . . . *Kellwood's* steady advance in profits over the last five years (from 1.9% of sales to 4.4%) is but one indication that its strategy for achieving better marketing balance through flexible sourcing is on the right track . . . *VF's* sales, reflecting more acquisitions, jumped 66% over 1986, and its dollar profit rose by 39% to $179.7 million. Yet its net income slid below 7% of sales for the first time in five years as cost of goods sold and interest expenses reached new highs.

Among the Associated Fashion Products companies, the only stand-outs were *Pro-Group* for its second year of profit leadership (8.8% of sales), and *Swank* for quintupling net income on a 14% sales gain . . . The hosiery specialists turned in a mixed performance.

There are three new companies in the Profile this year (*Beeba's Creations*, *Private Brands*, and *Nutmeg*), while eight have not returned . . . Including conglomerates, 14 of the 61 firms listed in the table on page 2 had losses in 1987, almost the same proportion as in 1986.

In summary, 1988 will be tougher, restructuring will continue, and next year's Profile will be led by firms that can create and retain more value.

Apparel Performance Profile — Fiscal 1987

COMPANY	RETURN ON SALES %	87	86	RETURN ON TOTAL EQUITY %	87	86	TOTAL DEBT TO ASSETS	87	86	RETURN ON TOTAL ASSETS %	87	86	SALES TO TOTAL ASSETS	87	86	GROSS PROFIT %	87	86	OPERATING EARNINGS %	87	86	INVENTORY TURNS	87	86	RETURN ON INVESTED CAPITAL %	87	86
ADAMS-MILLIS CORPORATION 12/87-A	3.01	26	23	10.52	21	21	0.54	18	18	4.82	26	26	1.60	31	43	21.41	34	35	7.43	27	21	4.63	11	12	6.42	25	28
AILEEN 10/87-W	-12.22	51	47	-27.82	39	37	0.30	45	49	-19.46	39	38	1.59	32	48	33.41	11	15	-5.27	49	48	2.64	44	41	-26.92	39	38
ALBA-WALDENSIAN 12/87-A	2.05	31	30	4.38	30	31	0.35	38	37	2.85	28	29	1.39	41	47	16.72	46	51	2.81	38	43	3.22	34	38	4.09	28	31
ANDOVER TOGS 11/87-W	1.22	37	17	5.05	29	15	0.60	16	26	2.02	31	16	1.66	28	27	21.14	36	31	3.89	35	16	3.45	29	35	3.50	30	17
BAYLY CORPORATION 10/87-M	-8.31	49	33	-266.26	41	25	0.92	3	11	-20.13	40	27	2.42	7	11	23.73	31	14	-6.96	50	34	4.02	19	22	-56.70	41	23
BEEBA'S CREATIONS 08/87-W	3.81	20	22	8.48	25	19	0.16	52	39	7.09	15	12	1.86	19	8	23.91	30	33	7.58	24	24	6.09	4	7	8.48	20	12
BOSS MFG CO 03/87-A	-2.71	45	50	-15.08	36	41	0.67	13	13	-5.02	36	41	1.85	20	21	23.97	29	39	-0.18	44	47	3.51	27	19	-8.06	37	42
CHAMPION PRODUCTS 12/87-D	3.92	18	21	13.90	14	22	0.52	22	29	6.62	16	21	1.69	27	28	26.71	22	30	8.78	18	25	3.32	31	23	8.29	21	21
BERNARD CHAUS INC 06/87-W	3.97	17	10	20.83	7	+	0.47	25	8	10.96	7	+	2.76	4	1	24.00	28	22	8.44	20	10	6.45	3	1	20.66	3	+
THE CHEROKEE GROUP 11/87-W	7.45	6	9	14.57	13	7	0.23	50	29	11.25	6	3	1.51	37	16	35.15	7	6	13.41	9	9	4.18	18	19	14.22	7	5
CRYSTAL BRANDS (05/86)12/87-D ***	3.71	23	40	7.77	28	33	0.33	40	37	5.24	22	32	1.18	48	44	36.07	6	13	7.60	23	40	2.37	48	44	6.24	26	33
FAIRFIELD-NOBLE CORP. 06/87-W	6.47	8	1	39.97	+	+	0.38	34	26	24.62	+	+	1.85	20	21	36.59	5	1	13.81	8	3	3.05	39	52	39.97	+	+
FARAH MANUFACTURING 10/87-M	0.32	39	38	-1.65	33	29	0.66	14	16	-0.57	33	30	1.53	35	29	27.90	20	27	1.88	41	37	3.61	24	18	-1.11	33	30
FRUIT OF THE LOOM 12/87-M	4.34	14	42	-6.94	++	+	0.88	6	7	-0.83	++	+	0.54	52	52	34.94	8	3	22.52	1	2	3.71	21	26	-1.40	++	+
GARAN INC 09/87-W	2.01	32	29	3.86	31	30	0.33	40	44	2.57	29	28	1.28	46	49	18.88	41	44	2.80	39	38	4.60	12	4	3.37	31	29
HAMPTON INDUSTRIES INC 12/87-M	2.40	30	25	8.20	26	23	0.50	23	28	4.07	26	22	1.70	25	24	19.27	39	41	6.24	30	23	3.31	32	31	5.17	27	25
JACLYN INC 06/87-A	3.77	21	26	11.48	20	28	0.34	39	44	7.55	13	24	2.00	14	33	28.68	17	26	6.15	31	39	5.31	6	12	11.24	13	27
KELLWOOD COMPANY 04/87-D	4.42	13	16	16.00	11	14	0.53	21	25	7.55	13	14	1.71	24	23	19.20	40	46	7.73	22	26	4.38	15	31	11.19	14	19
KLEINERT'S 11/87-W	3.70	24	27	19.85	+	+	0.54	18	21	9.20	+	+	1.47	39	30	17.37	45	50	9.60	15	18	3.07	37	28	13.80	+	+
THE LESLIE FAY COMPANIES 12/87-W	3.39	25	24	17.65	9	9	0.63	15	12	6.47	17	20	1.91	17	19	30.74	15	12	7.97	21	15	4.91	8	11	11.79	11	7
LIZ CLAIBORNE, INC 12/87-W	10.86	1	2	32.05	2	3	0.26	47	49	23.72	1	1	2.18	10	8	37.76	3	4	19.28	3	5	4.83	9	6	30.80	1	2
MANHATTAN INDUSTRIES 01/87-D	-0.93	43	35	-11.76	++	++	0.54	18	16	-5.40	++	++	2.44	6	12	24.72	27	24	0.32	43	44	2.88	41	40	-8.39	++	++
MARCADE GROUP 01/87-W	0.45	38	52	421.38	+	#	0.90	5	2	42.12	+	42	2.01	13	6	18.25	42	49	4.31	32	52	3.52	26	27	87.27	+	#
MOVIE STAR 05/87-W	-4.39	47	46	-17.16	37	38	0.38	34	22	-10.60	38	37	2.41	8	25	20.93	37	40	-2.42	47	46	2.54	45	47	-15.95	38	39
MUNSINGWEAR 12/87-D	-10.88	50	34	-98.24	40	+	0.75	8	19	-24.28	41	+	2.09	12	45	17.75	44	18	-8.97	51	35	4.20	17	36	-37.48	40	+
NANTUCKET INDUSTRIES 02/87-A	-3.29	46	19	-14.61	35	16	0.68	12	20	-4.63	35	23	1.41	40	36	10.77	51	38	-3.53	48	19	3.78	20	21	-6.08	35	24
NUTMEG INDUSTRIES 01/87-D	4.16	16	51	12.29	17	+	0.55	17	3	5.50	21	+	1.32	44	3	34.34	9	29	11.36	12	50	2.22	49	8	8.98	18	+
OAK HILL SPORTSWEAR CORP. 12/87-W	1.74	34	20	9.10	23	12	0.36	37	36	5.81	20	8	3.35	2	2	22.12	32	25	3.82	36	27	5.84	5	5	8.93	19	9
OSHKOSH B'GOSH 12/87-W	10.56	2	3	28.65	3	5	0.26	47	43	21.10	2	2	2.00	14	16	31.67	13	11	18.45	4	4	3.06	38	33	26.49	2	4
OXFORD INDUSTRIES 05/87-D	1.92	33	32	8.14	27	27	0.43	31	34	4.60	25	25	2.40	9	5	21.32	35	37	4.30	33	33	4.69	14	17	7.24	24	26
PALM BEACH, INC 12/87-D	1.56	35	44	27.94	4	42	0.92	3	4	2.37	30	36	1.52	36	32	25.35	26	32	6.77	28	32	2.38	46	46	3.85	29	36
PANNILL KNITTING COMPANY 12/87-D	6.46	9	5	42.66	1	1	0.85	7	5	6.30	18	10	0.98	51	50	26.13	24	10	19.63	2	1	6.95	2	2	7.72	22	11
PHILLIPS-VAN HEUSEN CORP 01/87-M	3.91	19	28	12.22	18	24	0.33	40	34	8.20	12	19	2.10	11	10	31.98	12	21	8.49	19	28	3.30	33	29	11.60	12	20
PRIVATE BRANDS, INC. 09/87-W	4.33	15	12	9.77	22	4	0.47	25	13	5.16	23	7	1.19	47	15	16.57	47	45	10.14	14	13	3.45	29	10	9.77	17	3
PROGROUP INC 09/87-A	7.93	5	8	15.07	12	18	0.23	50	52	11.60	4	9	1.32	44	38	38.75	2	2	13.08	11	11	4.98	7	15	14.44	6	13
QUALITY MILLS 12/87-M	0.16	40	31	-3.26	++	+	0.47	25	10	-1.73	++	+	1.91	17	13	15.69	49	42	3.01	37	29	3.19	35	30	-2.45	++	+
ROCKY MOUNT UNDERGARMENT CO 12/87-D	-0.33	42	48	-18.06	++	40	0.40	33	22	-10.83	++	40	3.16	3	18	18.05	43	52	2.73	40	49	3.48	28	36	-16.54	++	41
RUSS TOGS 01/87-W	5.04	11	15	13.59	15	20	0.32	43	39	9.27	10	13	1.84	22	20	27.93	19	28	9.04	16	20	3.17	36	25	13.38	9	16
RUSSELL CORPORATION 12/87-D	9.66	3	4	16.57	10	11	0.37	36	47	10.41	8	5	1.08	50	46	34.00	10	9	17.68	5	6	4.55	13	16	13.12	10	10
SALANT CORPORATION 11/87-M	3.00	27	36	35.16	+	++	0.69	11	6	10.80	+	++	1.70	25	42	21.90	33	43	7.57	25	31	3.64	22	33	16.30	+	++
SANMARK-STARDUST INC 06/87-W	2.92	28	13	12.91	16	6	0.75	8	9	3.20	27	17	1.10	49	37	28.52	18	20	10.72	13	14	1.64	52	49	10.42	16	15
THE SHIRT SHED, INC (NEXUS) 07/87-D	2.48	29	37	-318.76	+	+	1.04	1	1	13.33	+	+	2.75	5	4	16.49	48	47	6.76	29	30	7.42	1	3	19.90	+	+
SIGNAL APPAREL COMPANY 12/87-M	0.03	41	14	0.09	32	17	0.45	29	44	0.05	32	11	1.66	28	13	20.63	38	34	1.39	42	17	2.97	40	24	0.07	32	14
STANWOOD CORPORATION 12/87-M	-4.44	48	43	-20.08	38	35	0.71	10	13	-5.84	37	34	1.54	33	35	11.88	50	48	-1.45	45	42	2.70	43	43	-7.49	36	35
STATE-O-MAINE 02/87-M	5.76	10	11	20.97	8	10	0.46	28	39	11.26	5	4	1.95	16	7	37.11	4	7	13.17	10	12	4.25	16	14	17.59	5	6
SUPERIOR SURGICAL MFG 12/87-D	4.74	12	18	12.11	19	26	0.31	44	42	8.36	11	18	1.76	23	26	30.34	16	17	8.86	17	22	2.71	42	41	10.99	15	22
SWANK INC 12/87-A	3.74	22	39	8.57	24	32	0.28	46	47	6.21	19	31	1.66	28	34	42.26	1	5	7.47	26	36	2.17	50	50	7.68	23	32
TULTEX CORPORATION 11/87-D	8.26	4	7	22.56	5	8	0.44	30	31	12.72	3	6	1.54	33	30	27.67	21	19	15.73	6	8	4.75	10	9	18.31	4	8
VF CORPORATION 12/87-D	6.98	7	6	18.33	8	13	0.49	24	24	9.33	9	15	1.34	43	51	31.67	13	8	13.93	7	7	3.63	23	39	13.79	8	18
WINJAK, INC (JACK WINTER) 12/87-W	-41.45	52	45	n/m	42	36	0.94	2	31	-142.65	42	35	3.44	1	41	8.74	52	16	-36.56	52	45	3.59	25	45	n/m	42	37
THE WILLIAM CARTER COMPANY 12/87-W	1.26	36	41	7.53	+	34	0.41	32	33	4.42	+	33	1.51	37	40	26.39	23	23	4.11	34	41	2.05	51	51	5.53	+	34
HOWARD B WOLF 05/87-W	-1.83	44	49	-3.37	34	39	0.25	49	51	-2.54	34	39	1.39	41	39	25.46	25	36	-1.77	46	51	2.38	46	48	-3.37	34	40

\# Ratio could not be calculated due to negative or zero dividend and/or divisor
\+ Extraordinary gains exceed 1% of net sales
++ Extraordinary losses exceed 1% of net sales
*** Fiscal year change; (previous) and current year end dates shown

Industry Sector Results and Top Performers

Industry Sectors and Top Performers*	No. of Firms Reported	Sales ($000)	Net Income ($000)	Net After-Tax Income on Sales %	Return on total Equity %	Total Debt to Assets	Return on Total Assets %	Sales to Total Assets	Gross Profit %	Oper. Earn. %	Inv. Turns	Return on Invested Capital %
Women's Wear (W)												
Liz Claiborne		1,053,324	114,414	10.86	32.05	.26	23.72	2.18	37.76	19.28	4.83	30.80
1987	20	3,580,796	206,474	5.77	18.81	.40	11.26	1.95	30.02	10.82	3.95	16.55
1986 (FY '86 Profile: 19)	20	3,155,388	167,035	5.29	20.37	.47	10.79	2.04	31.11	12.06	4.11	18.22
Men's Wear (M)												
State-O-Maine		36,253	2,088	5.76	20.97	.46	11.26	1.95	37.11	13.17	4.25	17.59
1987	10	2,498,707	-473	-0.02	-0.08	.77	-0.02	1.00	28.86	10.37	3.48	-0.03
1986 (FY'86 Profile: 12)	10	2,375,192	41,810	1.76	6.89	.76	1.68	.96	29.37	11.12	3.52	2.72
Associated Fashion Products (A)												
ProGroup		28,915	2,536	8.77	15.07	.23	11.60	1.32	38.75	13.08	4.98	14.44
1987	7	570,431	15,196	2.66	7.57	.44	4.27	1.60	27.57	5.86	3.51	5.67
1986 (FY '86 Profile: 10)	7	509,895	11,051	2.17	5.84	.46	3.16	1.46	27.05	5.55	3.34	4.17
Diversified (D)												
Pannill Knitting		259,922	16,779	6.46	42.66	.85	6.30	.98	26.13	19.63	6.95	7.72
1987	15	6,456,694	312,117	4.83	14.64	.52	7.04	1.46	28.15	10.61	3.65	9.99
1986 (FY '86 Profile: 16)	15	5,316,713	243,337	4.58	13.13	.55	5.90	1.29	29.24	10.84	3.27	8.35
Composite Industry Total												
1987	52	13,106,628	533,314	4.07	13.28	.56	5.85	1.44	28.77	10.42	3.69	8.65
1986 (FY'86 Profile: 57)	52	11,357,188	463,233	4.08	13.35	.59	5.45	1.34	29.69	11.00	3.52	8.22

*Top Performers in each sector determined by Return on Total Equity %

Noteworthy Performances

Return on Total Equity

		1987 %	1983-87 %	1983-87 Rank
1	Pannill Knitting Co.	42.66	—	—
2	Liz Claiborne	32.05	34.76	2
3	Oshkosh B'Gosh	28.65	30.93	3
4	Palm Beach	27.94	12.10	15
5	Tultex Corp.	22.56	18.89	8
6	State-O-Maine	20.97	20.30	5
7	Bernard Chaus	20.83	—	—
8	VF Corp.	18.33	21.64	4
9	Leslie Fay	17.65	—	—
10	Russell Corp.	16.57	15.56	11

Return on Sales*

		1987 %	1983-87 %	1983-87 Rank
1	Liz Claiborne	10.86	10.70	1
2	Oshkosh B'Gosh	10.56	9.76	2
3	Russell Corp.	9.66	8.80	3
4	Tultex Corp.	8.26	5.91	6
5	ProGroup	7.93	6.21	5
6	The Cherokee Group	7.45	5.85	7
7	VF Corp.	6.98	8.80	3
8	Fairfield-Noble	6.47	—	—
9	Pannill Knitting	6.46	—	—
10	State-O-Maine	5.76	5.06	9

(*Before extraordinary items)

Classifications

The constantly-changing mix of companies in each year's Profile sample, plus changes in the product mixes of the companies themselves, call for many separate and flexible judgments regarding their classification.

Public companies deriving at least half of their total sales volumes from manufacturing and/or marketing of apparel or associated personal consumer products are included in the full data analysis.

These firms have been classified M (primarily Men's and Boys' Apparel), W (primarily Women's and Children's Apparel), D (Diversified, with neither Men's wear nor Women's wear predominating in the product mix), or A (Associated Fashion Products — companies whose sales may include some apparel along with related products such as hosiery, gloves, headwear, leather products, jewelry, recreational goods, and the like). Footwear is specifically excluded; firms in that category are part of our Footwear Profile.

A separate category — C — covers divisions of conglomerates or multi-product companies that do a significant amount of business in apparel, although more than half of their sales is in retailing, footwear or unrelated products. The apparel sales volumes of these companies, and some indication of their earnings performances, where available, are included in the Sales and Earnings table on page 2. However, their complete financial performance data have not been tabulated elsewhere in this Profile.

Composite Profit and Loss Data —Apparel Industry

(52 Companies)

FISCAL PERIOD ENDING	1987		1986		1985		1984		1983	
	$	PCT	$	PCT	$	PCT	$	PCT	$	PCT
Net Sales	13106628	100.00	11357188	100.00	10522325	100.00	7812810	100.00	7063934	100.00
-Cost of Goods Sold	9335991	71.23	7985607	70.31	7558524	71.83	5631462	72.08	5113970	72.40
Gross Profit	3770637	28.77	3371581	29.69	2963801	28.17	2181348	27.92	1949964	27.60
-Sell. Gen. & Admin	2405311	18.35	2121847	18.68	2017962	19.18	1416180	18.13	1244131	17.61
Operating Earnings	1365326	10.42	1249734	11.00	945839	8.99	765168	9.79	705833	9.99
-Interest Expense	314991	2.40	312918	2.76	327445	3.11	127532	1.63	114283	1.62
Misc. Inc. or Exp.	12824	0.10	134	0.00	-95738	-0 91	37705	0.48	23312	0.33
Income Before Tax	1063159	8.11	936950	8.25	522656	4.97	675341	8.64	614862	8.70
- Income Tax	497966	3.80	467537	4.12	291153	2.77	318061	4.07	282828	4.00
Income After Tax	565193	4.31	469413	4.13	231503	2.20	357280	4.57	332034	4.70
Extraordinary Item	-31879	-0.24	-6180	-0.05	2522	0.02	10376	0.13	12641	0.18
Net Income	533314	4.07	463233	4.08	234025	2.22	367656	4.71	344675	4.88

FLOW OF FUNDS ANALYSIS					
Working Cap at Start	2761465	2375481	1903540	1799314	
Net Income	533314	463233	234025	367656	344675
Depreciation	303801	236669	200768	124134	108039
Change in L-T Debt	-14195	-18291	1308658	244585	629774
Change in Deferred	-141713	285393	448156	19438	99143
Change in Pref Stk	-222137	10008	242158	-2347	6080
Change in Common	454120	588941	108220	38618	540216
Dividends Paid	-119236	-173347	-125646	-86436	-69589
Capital Expend	-462417	-340289	-258052	-231038	-206313
Misc Assets Change	42581	-174411	-1549115	-174214	-120433
Misc Transactions	-171642	-491922	-137231	-196170	467722
Working Cap at End	2963941	2761465	2375481	1903540	1799314

Disclaimer

The information presented in this Performance Profile was obtained from available annual reports made by public companies to their stockholders and to the Securities and Exchange Commission. While we believe the information furnished to be reliable, no representations are made as to the accuracy thereof. Kurt Salmon Associates assumes no responsibility for any errors in the Performance Profile, whether of omission or commission.

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The Complete Profile

A full print-out covering fiscal years ending 1983 through 1987 is available for in-depth comparisons and study.

For each of the companies, as well as the industry segment composites and the total industry aggregate, the report contains a full financial statement, a balance sheet, and a comprehensive list of ratios.

It is available from KSA at a cost of $400.

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